



Market access for women producing Karité Butter in Mali

**Making Value Chains Work for the Poor:
Current Thinking and Future Opportunities**

Gerzensee, 11 - 12 January 2007

**Lionel Giron
Small Enterprise Development programme officer
Intercooperation**



Content



- Context
- Characteristics of the value chain and support strategies
- Strategies and interventions
- Lessons learned
- The way forward? Increasing social responsibility
- Indicator of outcomes





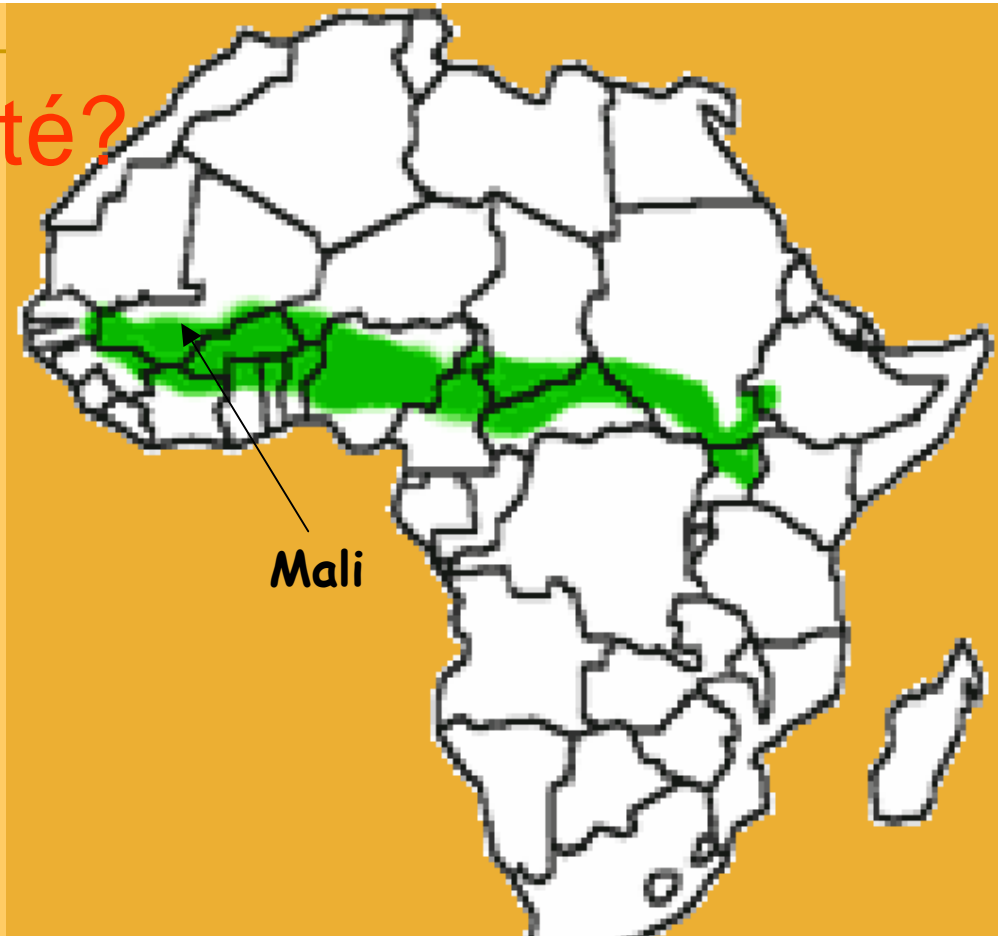
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What is shea / Karité?



- A fruit from *Vitellaria Paradoxa*
- Widespread in the savannah of 16 countries
- parkland of 502'000 km²
- potential of total production is estimated at 250'000 tons (equivalent of 75'000 tons of butter)
- Mali has around 12% of the production and exportation share
- Karité products exports bring €1.5 millions yearly to the Mali economy



The production process



Harvest

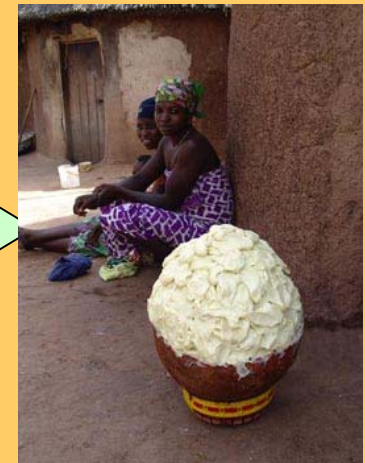
Boiling

Drying

Grinding

Chumming

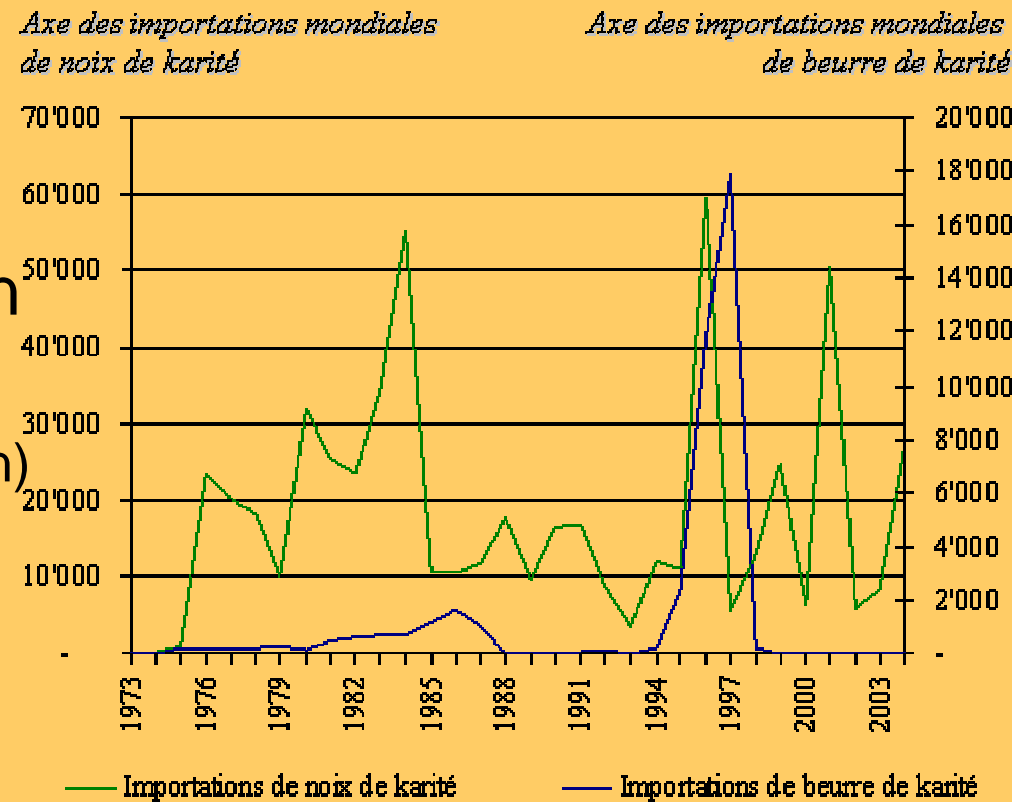
Final product



Why adopting a value chain approach?

- **A vibrant worldwide market**
- **Big importers: Aarhus-Karlshmans (Denmark & Sweden), Loders Croklaan (NL), BODY SHOP, Unilever (UK), FUJI (Japan)**
- **Markets segmented**
 - ➔ from mass raw nuts imports to niche bio & fair trade markets
- **The “chocolate dream”**

Evolution des importations mondiales de noix et de beurre de karité sur la période 1973-2004 en tonnes



Why adopting a value chain approach?

- 63.8% of women leave with less than \$2 a day, of whom 88% live in rural area
 - An essential source of income for 3 millions women who make 52% of their yearly earnings from Karité products
 - Low share of the value of the product remains with women
 - A highly scattered production => high collection costs
- **Shea products production is an exclusive women activity which is underperforming in terms of value creation at the rural level in relation to the international market (25% of the CIF value in Europe)**



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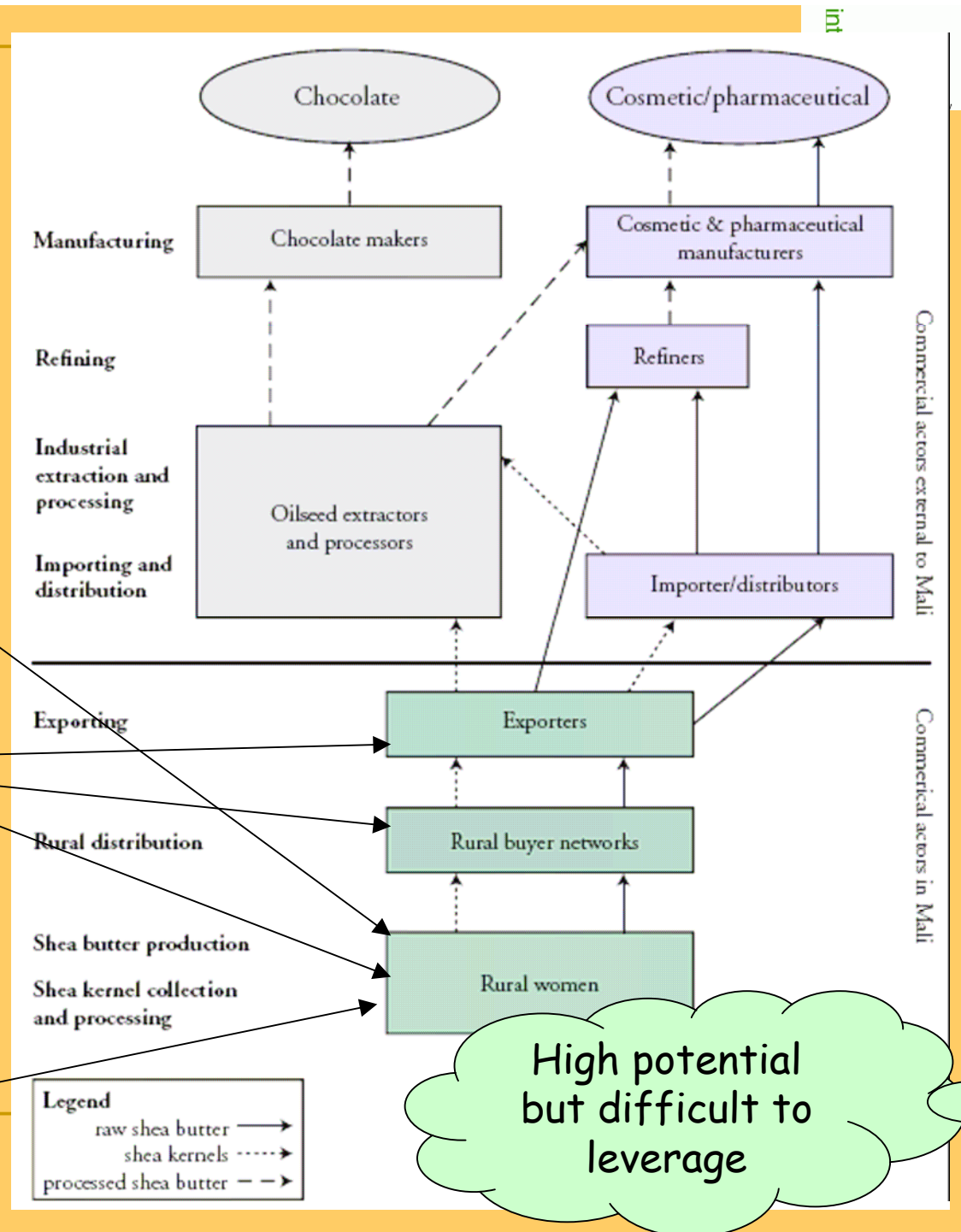
The global value chain and the various supports

PROKARITE

(Multilateral fund project with FAO) in Mali, Senegal, Burkina Faso and Niger
Focuses on building countries capacity in quality certification and labels

International and national **NGO**: support to **women producers** (Organization, training, technology, market information) and **traders** (market information and opportunity)

Ministry of Women affairs building women's entrepreneurial capacity



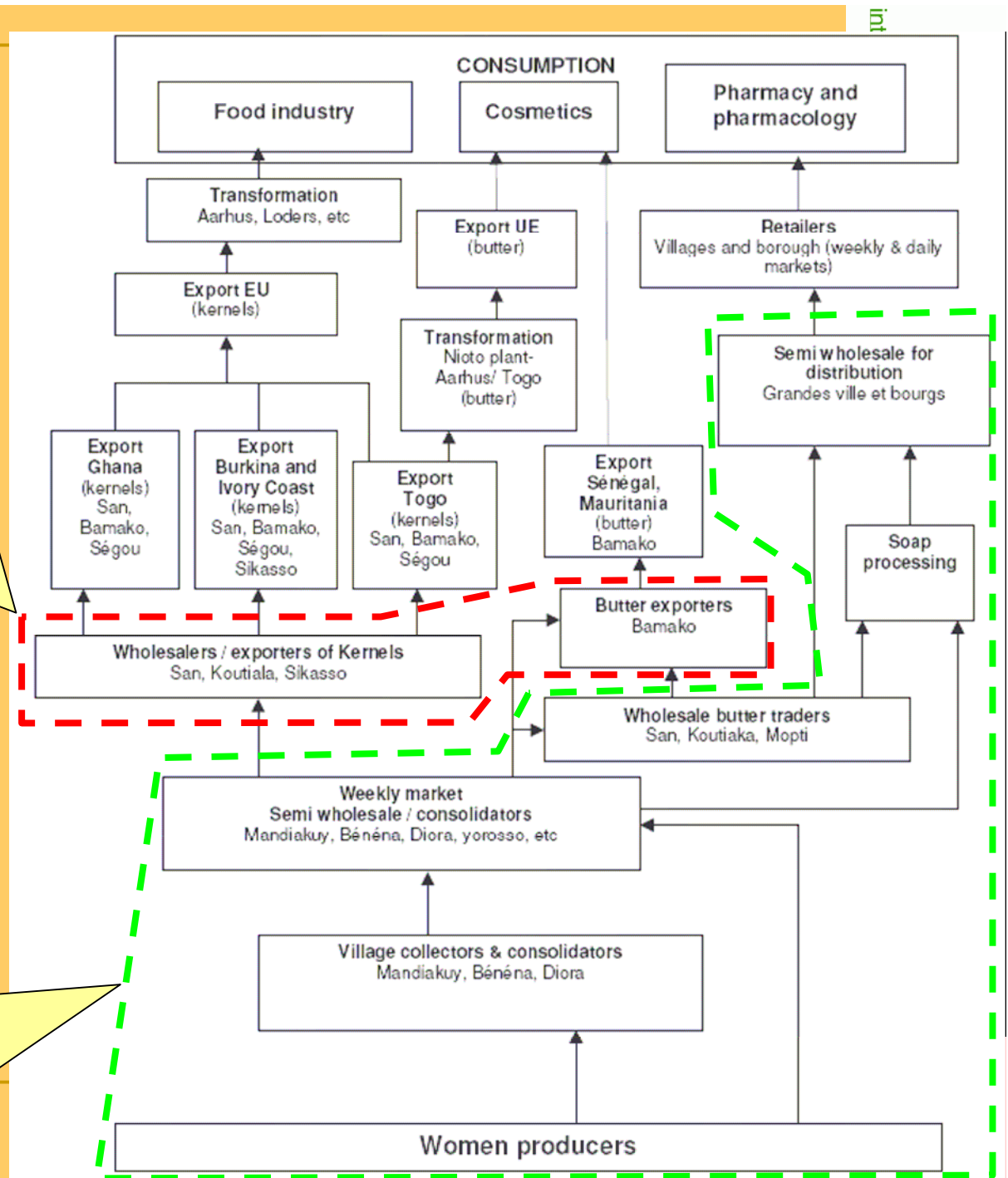
Experiences from IC

Very limited impacts with attempts to work at this level:

- Opportunistic trade
- No long term business vision
- Export markets dealing mainly with nuts (low value addition) & HUGE quantities

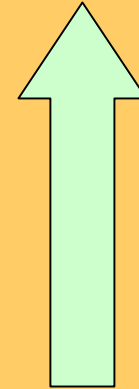
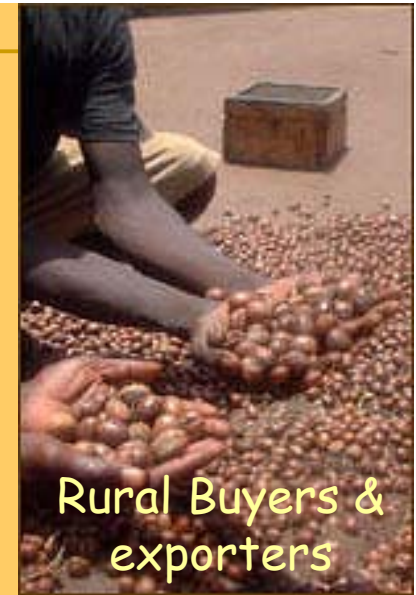
IC Focus

Building capacities of women for increasing value addition at village level by targeting accessible markets



Addressing a main bottleneck

- Reinforcing the bargaining power of women in the Karité value chain in order to improve their market position by
 - Developing more entrepreneurial attitudes through capacity building (and testing pilot service centres)
 - Promoting improved processing techniques
 - Facilitating strategic alliances within a JTO / inter-professional platform



The specific support of IC (1)

- 1. Contribution to the emergence of a joint trade organisation
 - Capacity building for producers organisations
 - Support dialogue between value chain actors (forums, local fairs)
 - Introduction of technical and technological innovations
 - Promotion of collection and service centres
- 2. Market segmentation: which products for which markets?
- 3. Improvement and sustainable management of the natural resource

The specific support of IC (2)

- **Building entrepreneurial capacities** of women in Southeast Mali
 - Market studies and value chain related information dissemination to all stakeholders
 - Supporting producers participation to commercial events in Mali and neighbouring countries (Senegal);
 - Business oriented training: entrepreneurship, leadership development
 - Facilitation of meetings between women and others stakeholders (micro credit institutions, wholesalers)



The specific support of IC (3)

- **Strengthening technical capacities**
 - ➔ Technical trainings: quality improvement, new products development (cosmetics)
 - ➔ Technology development for oil extraction (Partnership with GRET)
 - ➔ Exchange sessions between women producers from Mali and Burkina





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Lessons learnt (1)

- **Rural women are producers of butter, and rarely entrepreneurs**
 - This is why they still have so many problems to respond timely to the demand of quality and quantity.
- **A missing element in the chain**
 - Rural Micro-entrepreneurs.
- **Existing microenterprises hardly survive**
 - 2 have been created by associations “for” women and have a very weak market position

Lessons learnt (2)

■ **No access to markets**

→ Despite all the support provided , **women are not able to go beyond the local market**, even though the quality has improved tremendously.

■ **A market inelastic to quality**

→ The **lack of motivation** of women producers to improve the **quality** and be more entrepreneurial is also linked to the **very low price** of the butter **whatever the quality**.

→ Still, improved techniques reduce drastically the painfulness of the processing

→ It remains a product with a higher social value than market value, although the global demand increases

Lessons learnt (3)

■ **Non specialised wholesalers**

- The wholesalers and exporters in Mali are **not dedicated to one product or product range**. They are actually buyers and sellers who change from one product to another depending on the opportunities;

■ **Lack of investment in the chain**

- Therefore, wholesalers **don't invest in the chain**. Despite the emerging capacity of women groups to provide better products, there is no possibility to establish contracts, traders maintain the traditional collection system: collect small and variable quantities on local markets
- They might specialise when producers get better organised and that it really reduces collection costs on high volumes

Lessons learnt (4)

- **Burkina Faso has a different organisation**
 - ➔ women entrepreneurs and traders are dedicated to only this commodity. They invest in women groups training, equipment and guarantee a basic level of price to producers.
- The possibility to **bridge the gap** between low quality/low volume current production and more “modern” markets relies on:
 - ➔ Technological improvements and access to proper equipment
 - ➔ Better organisation of the producers for grouped marketing



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The way forward?

Increasing social responsibility

- The **promotion of a JTO** contributes to give a better place to women producers in the chain because it promotes dialogue, trust and transparency between actors who so far have no common interests.
- **Women are no player in the chain.** By improving their organisation (grouped marketing and service centres) and developing their market literacy they will influence the organisation of the chain.
- A JTO is also important to **protect this essential source of income** for women. If the value of shea products increases because of a better functioning of the value chain, male might jump in.
- **Traders have a timid interest so far in the JTO.** This would change if women get more strongly organised.



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Indicators of outcomes

- The impacts on women are significant on the following areas:
 - Improved technical capacity to produce better quality kernels and butter
 - Development of new local products (even though market is not very reactive ... yet)
 - Emerging entrepreneurial thinking among women groups on the ways for accessing some key equipment, preparing business plans for establishing service centres, etc.
 - Decrease of painfulness and time consumption (decrease opportunity cost)
 - A stronger involvement in policy dialog (access to natural resource), but still at a very local level.



Thank you for your attention

